

**JAPAN'S RELATIONS WITH MEKONG
BASIN COUNTRIES: DIPLOMACY,
MARKETS AND COMMUNITY**

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Executive Summary

1. Shortly after assuming office in December 2012, Japanese Prime Minister Abe Shinzo and Deputy Prime Minister Aso Taro visited three Mekong Basin countries, an indication of the countries' strategic importance to Japan amidst the rise of China.
2. Tokyo needs the support of Mekong Basin countries for securing a permanent seat in the United Nations Security Council, joining forces against North Korea's "nuclearization" and abduction of Japanese nationals, and endorsing the principles of freedom of navigation, international law and peaceful resolution to the South China Sea territorial dispute.
3. Beijing and Tokyo are open to future cooperation in the Mekong as evident in their First China-Japan Policy dialogue on Mekong Region in April 2008.
4. Since 2009, Tokyo has also institutionalized the Japan-Mekong Summit with the riparian states. At the Fourth Japan-Mekong Summit in Tokyo in April 2012, Japan pledged 600 billion yen (almost US\$7.4 billion) in official assistance for the next three years.
5. In 2011, Japan's exports to and imports from the riparian states were a respective US\$47.9 billion and US\$37.1 billion, much lower than China's US\$62.4 billion and US\$52.8 billion. China's trade with the riparian states thus outshines Japan's in the sub-region.
6. Nevertheless, Japan remains an important investor and the number one aid donor to Mekong Basin countries.
7. The Mekong countries do recognize Japanese expertise and the quality of its aid. In December 2011, Mekong River Commission Council members asked Japan to study sustainable development and the management of the Mekong

River including the impact from mainstream hydropower development projects.

8. Despite Tokyo's and Beijing's keen interest in establishing ties with Mekong Basin countries, it is still unknown if the Mekong Basin will be a sub-region of cooperation for Japan, China and ASEAN or an arena of contention between Tokyo and Beijing.